

May 15, 1975

PRESIDENT: Senator Warner.

SENATOR WARNER: Mr. President, members of the Legislature, what the amendment does, it would set the income tax rate retroactive to 12 instead of the 13 as is proposed in the bill. This one is very simple. The total amount of liability we have this year is 345 million dollars. The amount of money that will be raised with 123 as it now stands together with the other revenue that the state has estimated is 361. That is 17 million more than is required and I see no reason why it would not be adopted unanimously. Senator, if I could ask Senator Carsten, Chairman of Revenue, would I be correct when I use those figures of the liability for the year is 345 and that the revenue, as things now stand, from a 12% will be 361 million?

SENATOR CARSTEN: Yes, yes, Senator Warner, that's...those figures, as far as I know, are the ones that have been prepared for us, yes.

SENATOR WARNER: And those are from the Department of Revenue.

PRESIDENT: Senator Keyes.

SENATOR KEYES: Well, Mr. Speaker, either Senator Carsten or somebody is off because according to the cash flow in January of 1976, and that's the one that's coming up, there will be an \$8,000 shortage, the next month, there will be a \$5,000, the next month, there will be \$20,000, the next month there will be a \$25,000 and the next month, there will be a \$13,000 with a 12% income tax. So what I would suggest is that you defeat this motion and that Senator Jules Burbach and Senator Keyes go to the Governor and find out who should set taxes. We can't even set the salaries of the judges in this Legislature.

PRESIDENT: Senator Warner, do you want to close argument on this matter? Wait, Senator Carsten.

SENATOR CARSTEN: Mr. President, and members of the Legislature, once more, I want to repeat that with these projections on the cash flow, at 12%, what Senator Keyes is saying is evident on this sheet, that in January there will be a minus. In February, there will be a minus and in March there will be a minus and they gradually build up. However, we are not sure that these projections are accurate. It is an estimated guess. We have to take these figures as the Revenue Department has seen them. We have also had the projections from our fiscal staff which I have said before on this floor is more optimistic than the Revenue Department, but for the figures that we have before us, this is true and I want you to bear that in mind when we vote on this. However, we do know that the Board of Equalization does meet in November, and by that time, we will have a more up to the minute actuality than we have at this point and they can act accordingly. Thank you.

PRESIDENT: Senator Warner, do you want to close debate on this matter?

SENATOR WARNER: Thank you, Mr. President. I would remind